

BG SALES-TRADING MORNING DU 02/02/2016

LA SEANCE DE LA VEILLE

INDICES U.S & JAPON				SECTEURS S&P : BEST PERFS			SECTEURS STOXX : BEST PERFS		
Indices	Cloture	Var %	Var 17h30-22H (en %)	S&P	Var %	YTD	STOXX	Var %	YTD
DJ	16449,2	-0,1%	0,2%	Food staples, Retail	1,5	-0,3	Travel & Leisure	1,6	-6
NASDAQ	4620,4	0,1%	0,7%	Consumer Serv.	1,1	-0,2	Utilities	0,7	-1,1
S&P 500	1939,4	0%	0,3%	Utilities	1	6	Food & BeV	0,7	0
NIKKEI	17750,7	-0,6%	-	Telecom Op.	0,9	6,5	Media	0,6	-3,1
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Oil & Gaz	-1,9	-4,9	Technology	-1,7	-5
				Banks	-0,8	-12,6	Oil & Gas	-1,4	-3
				Div. Financials	-0,7	-9,8	Banks	-1,4	-15,7
				Cap Goods	-0,7	-6	Insurance	-0,9	-10,2

Valeurs les plus traitées hier vs. Moy. 3M

CAC 40			EURO STOXX 50			STOXX 600		
Stocks*	Last	Var%	Stocks*	Last	Var%	Stock*s	Last	Var%
CARREFOUR SA	26,5	1	NOKIA OYJ	5,9	-11,3	AMLIN PLC	669	-
VIVENDI	19	-0,4	BANCO SANTANDER	3,8	-3,3	BETFAIR GROUP PLC	4420	-
VINCI SA	63,6	2	CARREFOUR SA	26,5	1	LUXOTTICA GROUP SPA	54,2	-5,7
PERNOD RICARD SA	108,7	0,7	IBERDROLA SA	6,5	1,1	RYANAIR HOLDINGS	14,5	5,9
UNIBAIL	43,2	0,9	VIVENDI	19	-0,4	NOKIA OYJ	5,9	-11,3

DEFINITION : * compare les capitaux traités sur une valeur la veille rapportés à la moyenne des capitaux traités ces 3 derniers mois sur la valeur.

TAUX U.S

Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,9	0%	0,8%	€/§	1,0904	0,1%	0,3%	BRENT	33,1	-1,2%	-7,5%
U.S 10 ANS	102,8	0,1%	1,9%	€/¥	131,56	0,2%	-0,7%	ONCE OR (\$)	1126,2	-0,1%	6%

VIX Index

20

-1,1%

VSTOXX Index

27,3

-0,2%

Economic Calendar

DE - Unemployment rate (6.3% E)

JP - Monetary Base Jan. (28.9% A)

EUZ - Unemployment rate Dec. (10.5% E)

US - ISM New York Jan.

Dividends Calendar ex-date next day

BENETEAU (CHBE.PA) 0.06€ (0.54%)

Ex Div today

Markets Recap (source Street account)

Asian equities are trading narrowly mixed on Tuesday. Volatility is fairly subdued following a sluggish night on US markets and a sharp drop in oil. The Nikkei is weaker after its recent rally while energy names are lagging on the ASX. There has been an uptick in ASX volatility after following the RBA with the index off ~0.5% in the decision's immediate aftermath. The central bank left the official cash rate unchanged while its policy statement made mention of recent global volatility but didn't really tilt to a firm easing bias. Mainland markets are rebounding after the PBoC injected CNY100B in liquidity via 14 and 28-day reverse repos, while also announcing a stronger yuan fixing. News flow quiet has also been so far with some discussion on intensifying demand for Chinese IPOs. Oil is extending losses in Asian trade. Outside of Asia, Alphabet shares have surged after-hours following its strong earnings beat. In the Iowa caucuses, Republican contender Ted Cruz was projected to be the winner while Hillary Clinton was holding a slim lead over Bernie Sanders with over 85% votes counted.

US equities finished mixed and little-changed in fairly quiet trading on Monday. Treasuries were weaker across the curve. The dollar was weaker with the DXY (0.62%). Gold +1.2% was higher. Oil was under pressure again; WTI settled 6% lower.

No specific catalyst behind today's equities action. Equities opened lower and then rose in afternoon trading to close little-changed. Vice Chair Fischer comments at the Council of Foreign Relations were in

focus and were generally considered dovish. Mixed global manufacturing data did not have a large impact on trading. Today's selloff in crude was attributed to increased skepticism regarding production cuts and followed a substantial rally last week.

Sectors were mixed. Utilities +1.04% was the best performer. Telecom +0.93% was a notable gainer. Financials (0.58%) lower on weakness in banks. Energy (1.87%) was the worst performer on lower crude prices.

Stocks Factor to watch today :

U.S. ELECTION : TED CRUZ beat D. TRUMP, while H. CLINTON and B. SANDERS remained deadlocked in IOWA.

SANOFI : and Merck said to consider exiting vaccines joint venture (bloomberg)

GAMELOFT : new strategic alliance with GUNGHO online entertainment in distribution of mobile games.

VINCI : announced double contract win for Eurovia to deliver highway maintenance services in the U.K.

BNP PARIBAS : plans to simplify the legal structure of its wealth management operations within the group.

EVOTEC : won research grant from the MJ FOX Foundation to further develop its TargetaSN programme for the treatment of Parkinson's disease.

SANOFI : Launches Zika Virus vaccine R&D project.

GAMESA : had signed a deal to supply wind turbines for 200MW in Mexico

Rating & TP Changes



EDF : BUY vs. NEUTRAL, TP cut to 14.5€ vs. 18.5 @BRYAN GARNIER

EIFFAGE : TP raised to 71€ vs. 63, BUY @BRYAN GARNIER

VINCI : BUY vs. NEUTRAL TP raised to 70€ vs. 65 @BRYAN GARNIER

ERYTECH : Initiated with BUY rating, TP 50€ @Jefferies

ESSILOR : TP raised to 130€ vs. 125, BUY @ UBS



ROCHE : TP cut to 311CHF vs. 338, BUY @BRYAN GARNIER

ROCHE : TP cut to 300CHF vs. 311, BUY @Berenberg

CAST : TP cut to 3.9€ vs. 4.4, BUY @BRYAN GARNIER

ACCOR : TP cut to 38.2€ vs. 40.7 Neutral @NOMURA

SWATCH : TP cut to 436CHF vs. 460, BUY @Berenberg

NATIXIS : TP cut to 5€ vs. 5.6 @NATIXIS

GAMESA : HOLD vs. BUY @HSBC

ALLIANZ : TP cut to 172€ vs. 181, BUY @ UBS

AXA : TP cut to 23.2€ vs. 24.4, NEUTRAL @ UBS

MELIA HOTELS : TP cut to 13.6€ vs. 15, BUY @UBS

Technical Analysis

LUXOTTICA : at its lowest ytd

🔴Downward Signals🔴

ALCATEL : Stock price crossing downward 50d, 100d, 200d MAV

Bryan Garnier ... Today's comment(s)

Roche

RATING : BUY

Fair Value CHF311 vs. CHF338

FY 2015 numbers (below expectations, mainly as a result of fx, financial expenses and taxes) and comments on them have led us to slash our 2016 estimates. This year will essentially prepare for coming years for meaningful product launches, which require significant extra investments in manufacturing and commercial infrastructures. We have cut core EPS by 9% for 2016 (also due to the unexpected negative fx impact) and 4% for 2017, and our FV by 5% to CHF311.

EDF	RATING : BUY vs. NEUTRAL	Fair Value EUR14.5 vs. EUR18.5
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EDF is among the European integrated utilities that have suffered the most since 2008, for good reasons (strong decline in French power prices combined with significant political uncertainty concerning Areva). Since the beginning of the year, the downside spiral has continued with the stock dropping 12% while the SX6P index has only lost 3%, as French forward prices have fallen further to EUR30/MWh (>EUR65/MWh in 2008). The fact that EDF is in trouble is no news. However, at the current share price we consider the market is over-reacting and has factored in French power prices of EUR22/MWh, well below the current price. We have adjusted our model to include the latest market prices and still find upside. As such we have upgraded our recommendation to Buy (vs. Neutral). Our FV now stands at EUR14.5/share implying >20% upside to the current share price. All has a price, even EDF. **Positive.**

Construction-Concessions

While macro uncertainties are persisting in EM and have penalised numerous building materials stocks, visibility is fine for DG and FGR. Toll roads traffic is steady (2.5% 2016e) and tariffs are up (0.8%/1.6%). The French construction market is close to the trough level with a slightly more optimistic outlook. 2016 will not be rosy but order books offer a welcome cushion until 2017, when the Grand Paris projects should start to kick off. Buy reiterated on **EIFFAGE, FV lifted to EUR71 vs. EUR63. VINCI upgraded to Buy vs. Neutral, FV lifted to EUR70 vs EUR65.**

Cast	RATING : BUY	Fair Value EUR3.9 vs. EUR4.4)
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We reiterate our Buy rating but cut our DCF-derived fair value to EUR3.9 from EUR4.4 as we reduce our adj. EPS ests. by 42% for 2015, 35% for 2016, 24% for 2017 and 20% for 2018. Yesterday Cast reported Q4 15 sales 11% below our forecasts due to the slippage of a couple of deals as it remained strict on its discount policy. However, while we cannot rule a negative share price reaction short-term, Cast is likely to stay profitable en 2015 and the management is confident for growth acceleration from 2016.

Infineon	RATING : BUY	Fair Value EUR15 (+21%)
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Infineon reported Fiscal Q1-16 results slightly above of consensus expectations and company guidance. FQ1-16 sales came in at EUR1,556m down -2.6% sequentially, current operating margin at 14.1% or current operating results of EUR220m and EPS is EUR0.17 (vs. cs at EUR0.16). Regarding FQ2-16, the group expects to see revenue to be up +3% seq. to EUR1.6bn and a current operating result at c. EUR208 to be compared to street's expectation of a revenue at EUR1.61bn and current operating results at EUR239. As a results, revenue guidance is in line with the Street's expectations however margin appears to be low but the group confirms its FY16 guidance of a revenue increase of 13% yoy and margin of 16%. → **Negative**